

HOUSE BILL NO. \_\_\_\_\_

Child health insurance.

Sponsored by: Joint Labor, Health and Social Services  
Interim Committee

A BILL

for

1 AN ACT relating to the child health insurance program;  
2 repealing and recreating the child health insurance program  
3 to provide for the establishment of a private health  
4 insurance program for uninsured children as specified;  
5 reauthorizing the health benefits committee; providing an  
6 appropriation; and providing for an effective date.

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8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 35-25-101 through 35-25-108 are  
11 repealed and recreated to read:

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13 **35-25-101. Uninsured child health insurance program.**

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1 There is created a child health insurance program for  
2 families with a maximum gross monthly income at or below  
3 two hundred percent (200%) of the federal poverty level.

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5 **35-25-102. Definitions.**

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7 (a) As used in this act:

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9 (i) "Child" means a person who has not yet  
10 reached the nineteenth anniversary of his birth;

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12 (ii) "Department" means the department of  
13 health;

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15 (iii) "Federal poverty level" means the federal  
16 poverty guideline updated annually in the federal register  
17 by the United States department of health and human  
18 services under the authority of section 673(2) of the  
19 Omnibus Budget Reconciliation Act of 1981;

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21 (iv) "Private health insurance" means an  
22 individual insurance policy or contract for the purpose of  
23 paying for or reimbursing the cost of hospital and medical  
24 care;

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(vii) "State plan" means the state plan required by Public Law 105-33 to be submitted by the state to the United States secretary of health and human services to receive federal funding for a child health insurance program;

(viii) "This act" means W.S. 35-25-101 through 35-25-108.

**35-25-103. Child health insurance program eligibility.**

(a) Subject to approval of the state plan by the United States secretary of health and human services, and subject to available state and federal funding the department shall provide a health insurance plan offered through a private insurance company licensed by the insurance commissioner to write insurance in Wyoming for an eligible child whose gross family income is not more than two hundred percent (200%) of the federal poverty level. A child who is determined eligible to receive benefits under this section shall remain eligible for twelve (12) months as long as the child resides in the state of Wyoming and

1 has not yet attained nineteen (19) years of age. A child's  
2 eligibility to receive benefits under this act shall be  
3 redetermined on an annual basis. A simplified application  
4 process, which includes minimum eligibility requirements,  
5 shall be provided throughout the state at various public  
6 and private establishments approved by the department of  
7 health. To be determined eligible to receive benefits under  
8 this section, a child shall not be eligible under the  
9 Wyoming Medical Assistance and Services Act, shall not have  
10 been covered under another health insurance plan for a  
11 minimum of one (1) month prior to application for coverage  
12 under this act or, upon birth, the child would not  
13 otherwise be covered by a public or private health  
14 insurance plan. Eligibility under this section shall be  
15 determined by the department of health or its designee.

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17 **35-25-104. Private insurance program benefits.**

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19 (a) A child eligible for services under this act  
20 shall receive benefits developed by the health benefits  
21 committee established under W.S. 35-25-105 that include  
22 cost sharing factors, not to exceed the maximum allowable  
23 under Public Law 105-33, exclusions and limitations. The  
24 benefit package shall include, at a minimum, inpatient and

1 outpatient hospital services, physician services,  
2 laboratory and x-ray services, well-baby and well-child  
3 care including age appropriate immunizations and the  
4 additional services of prescription drug coverage, vision  
5 coverage and dental coverage which will include preventive  
6 and basic services developed by the health benefits  
7 committee.

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9 **35-25-105. Health benefits plan committee.**

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11 (a) A health benefits plan committee is hereby  
12 established and shall be composed of ten (10) members,  
13 which include:

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15 (i) The director of the Wyoming department of  
16 health or his designee;

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18 (ii) The director of the Wyoming department of  
19 family services or his designee;

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21 (iii) The Wyoming insurance commissioner or his  
22 designee;

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1 (iv) One (1) representative each, appointed by  
2 the governor, consisting of:

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4 (A) An authorized insurer writing  
5 individual and group health insurance business in Wyoming;

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7 (B) An employer;

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9 (C) A parent;

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11 (D) A licensed insurance agent experienced  
12 in selling health insurance;

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14 (E) A licensed physician who specializes in  
15 pediatric care or family medicine;

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17 (F) A licensed health care provider  
18 experienced in providing pediatric care; and

19  
20 (G) A member of the general public.

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22 (b) The terms of the committee members appointed by  
23 the governor shall be four (4) years. Members of the  
24 committee appointed prior to July 1, 2003 may continue to

1 serve the remainder of their terms. The committee shall  
2 review on at least a biennial basis the form and level of  
3 benefits to be made available pursuant W.S. 35-25-104.

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5 (c) The committee shall develop a package of benefits  
6 as allowed by section 2103(a)(4) of Public Law 105-33,  
7 including cost sharing factors, exclusions and limitations.

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9 (d) The committee shall submit its recommendations to  
10 the director of the department for approval no later than  
11 October 1, 2003, and at least biennially thereafter.

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13 (e) Members of the committee shall be reimbursed for  
14 travel and per diem in the same manner as state employees.  
15 Members may also be reimbursed for any committee-related  
16 expenses which receive prior approval by the department.  
17 Members shall not be otherwise compensated for their  
18 services.

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20 (f) Committee meetings shall be open to the public.

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22 **35-25-106. Private health insurance plan request for**  
23 **proposals.**

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1           (a) The department shall publish notice of a request  
2 for proposals from qualified insurers to provide a health  
3 insurance plan for children insured under W.S. 35-25-103 of  
4 this act. The department shall award the contract for this  
5 service to an insurer based on price, the provision of  
6 benchmark services determined pursuant to W.S.  
7 35-25-105(c), and other factors listed in the department's  
8 request. The contract for health insurance awarded under  
9 this section shall contain provisions with respect to  
10 exclusions from coverage for preexisting conditions that  
11 are no more restrictive than those described in section  
12 2102 (b) (1) (B) (ii) of Public Law 105-33. The contract  
13 shall include provisions for changes in terms and  
14 conditions and for rebidding in case major changes are  
15 needed. The department shall have the right to rebid the  
16 contract after two (2) years.

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18           (b) Biennially, the department may allow the  
19 contractor to adjust the price charged for the coverage,  
20 but if the price is increased, the department may, after  
21 public notice, rebid the contract.

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23           (c) If the department does not receive a proposal  
24 from an insurance company within one hundred twenty (120)



1 days after issuing the request for proposals required in  
2 subsection (a) of this section, the department may provide  
3 services to children eligible under this act with a public  
4 health benefit package designed to provide the same  
5 services as authorized under the Wyoming Medical Assistance  
6 and Services Act. A medical provider who accepts payment  
7 for services provided under this subsection shall not  
8 charge or attempt to collect payments in excess of the rate  
9 schedule established by the department of health.

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11 **35-25-107. Program expenditures; monitoring;**  
12 **recommendations; required action to limit expenditures to**  
13 **budget available.**

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15 (a) The department shall project monthly expenditures  
16 under this act each month through the end of the biennium  
17 based upon the level of activity for the previous months  
18 and the trend in expenditures compared to previous  
19 expenditures. If the projections indicate that expenditures  
20 may exceed the federal and state funds available under this  
21 act, the department, may, by rule and regulation and  
22 subject to availability of funds, limit participation in  
23 the program under this section as follows:

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1           (i) The department may impose a partial or total  
2 moratorium on new enrollments in the programs under this  
3 act until funds are available to meet the needs of new  
4 enrollees;

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6           (ii) For current recipients of benefits under  
7 this act, priority for the continuation of funding shall be  
8 given to those families with the lowest incomes.

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10          (b) In the last six (6) months of the biennium, the  
11 department shall include a projection of expenditures for  
12 the next biennium based on the spending for the current  
13 biennium unless the legislature provides for a different  
14 level of funding for the next biennium.

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16          (c) The funding for the child health insurance  
17 program shall be deemed to be included within the community  
18 and family health division line item within the department  
19 of health budget unless a separate line item is provided in  
20 the budget bill. General fund expenditures for the child  
21 health program shall not exceed the amount needed to match  
22 federal funds without explicit authorization enacted in the  
23 budget bill.

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1           **35-25-108. Implementation; duties; restrictions on**  
2 **the department of health.**

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4           (a) The department shall:

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6           (i) Administer this act within the fiscal  
7 constraints of Public Law 105-33 and subsequent federal  
8 enactments governing this program and the state budget as  
9 enacted by the legislature;

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11           (ii) Develop a state plan for child health  
12 insurance to qualified recipients under this act and  
13 otherwise provide for the effective administration of this  
14 act;

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16           (iii) Maintain records on the administration of  
17 this act and report to the federal government as required  
18 by federal law and regulation;

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20           (iv) Adopt, amend and rescind rules and  
21 regulations on the administration of this act following  
22 notice and public hearing in accordance with the Wyoming  
23 Administrative Procedure Act;

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1           (vi) Establish indicators for measuring access,  
2 process, quality and outcomes effectiveness in improving  
3 children's health.

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5           (b) The department shall not implement:

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7           (i) The program under this act until a state  
8 plan has been approved by the United States secretary of  
9 health and human services; and

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11           (ii) Any state plan that does not conform to the  
12 requirements of this act.

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14           **Section 2.** W.S. 35-25-109 and 35-25-110 are repealed.

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16           **Section 3.** Notwithstanding W.S. 35-25-108(b), as  
17 recreated in section 1 of this act, if the department has  
18 not received federal approval of the state plan required  
19 under W.S. 35-25-108(a)(ii), as recreated in section 1 of  
20 this act, by July 1, 2003, the department shall continue to  
21 provide services under the child health insurance program  
22 as authorized by the legislature in 1999 Wyoming session  
23 laws, chapter 137, to children found eligible for services  
24 under W.S. 35-25-103, as created by that act until the plan

1 required under W.S. 35-25-108(a)(ii), as recreated in  
2 section 1 of this act receives federal approval and is  
3 ready for implementation by the department. The department  
4 shall certify the date of the federal approval of the state  
5 plan, and submit a copy of the approval, to the governor  
6 and the joint labor, health and social services interim  
7 committee. The governor shall certify to the secretary of  
8 state that the state plan has been approved and the date  
9 the department has begun implementing the child health  
10 insurance program as authorized under this act.

11

12 **Section 4.**

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14 (a) In addition to any other appropriation to  
15 implement the child health insurance program, there is  
16 appropriated to the department of health to implement the  
17 purposes of this act for the fiscal year beginning July 1,  
18 2003:

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20 (i) Eight hundred twenty-seven thousand eight  
21 hundred thirty-seven dollars (\$827,837.00) from the general  
22 fund; and

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1           (ii) Two million two hundred fourteen thousand  
2 five hundred sixty-three dollars (\$2,214,563.00) from  
3 federal funds.

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5           **Section 5.** This act is effective July 1, 2003.

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(END)

DRAFT